EXHIBIT 4
Part 6 of 6

EXHIBIT K

TechCrunch

Benchmark Capital Advises Startups To Conserve Capital, Look For Opportunities

Michael Arrington
Thursday, October 9th, 2008

Yesterday Sequoia Capital and Ron Conway communicated with their portfolio companies to guide them through troubled times. Today Benchmark Capital joins the fray, with what a source says is an email from General Partner Bill Gurley to their portfolio companies (See our interview with Gurley and new partner Matt Cohler from earlier this year).

Like the advice being given by Conway and Sequoia Capital, Gurley is urging his companies to remain calm, but get tight control of their finances, starting now.

Gurley also says for companies to expect "across-the-board reductions" in valuations, and a tough market for raising money – "Basically, the cost of capital is going way up." Hedge funds are probably out of the picture for startup financings, he says, and corporate, strategic and angel money will decline.

Gurley also notes that major opportunities will become available to those who "play the game frugally." He says "The real key is to have a keen understanding of the game on the field and to be the one that adjests swiftly, rather than the one that moves after it's become blatantly obvious to everyone else it's time to move."

The full memo is below.

The recent downturn in the public markets (now known affectionately as "the U.S. Financial Crisis") is obviously on everyone's mind. Some of the entrepreneurs and executives with which we are privileged to work have reached out and asked what this means for private companies, the VC world, and Benchmark. As such, I thought t might be a good idea to send you our thoughts on the current situation, and ispecifically what it means for venture backed companies.

From a high level, this downturn is different from the Internet bubble of 1999. First, the last downturn started in our backyard. We were the speculators; this time it is someone else. This means that the "crash on the beach" wont be nearly as severe. In the Internet crash, many times the customer was actually another VC-backed company and as such, there was a strong negative spiral. That said, while this downturn might be shallower than last; it could last longer in terms of absolute time. The American consumer is super-leveraged which wasn't true before the 1930's or the 1970's. The overall economy will have trouble gaining momentum ith this debt anchor, and my best guess is the contraction is not finished yet. As wsuch, it might take a long, long time before we see glory days again.

Like every major shift in the environment, this one will offer opportunities as well as risks. JP Morgan was able to buy two great assets as substanti al discounts with government assurances, precisely because they played the game f rugally while others were more risk seeking. The real key is to have a keen understanding of the game on the field and to be the one that adjusts swiftly, rather than the one that moves after it's become blatantly obvious to everyone else it's time to move. Many companies that thrived post 2001-2003 were simply "Last Man Standing" in their ndustry. It doesn't sound all that glamorous, but it was the exact right strategy to ideploy at the time.

It terms of defining our current situation, let's start with the impact on the actual capital in "venture capital". The institutions (limited partners) that typically invest with Benchmark and other venture funds are not the ones on the cover of the financial news everyday. In fact, these limited partners are typically quite conservative and have a very long-term perspective. Certainly, new precedents are being set every day, so it's hard to say the word "never" in this environment. Still, e are unaware of any situation where capital availability for us or any other VC wfirm is in question.

With that said, I think access to other forms of capital that have recently been available to venture backed companies may be dramatically impacted. As an example, one would naturally assume that the hedge-fund rounds of late-2007 and early-2008 are no longer available. Additionally, we would expect that strategic/corporate investments, venture debt facilities, and even angel financings could all contract considerably. In all previous economic downturns, this was certainly the case.

One would also expect across-the-board reductions in follow-on financing valuations. As financial markets deteriorate three things happen. First, investors get nervous. As such, they tend to "choke up on the bat" and be more conservative. We have already witnessed skittishness on behalf of follow-on funders, as well as a lengthening of the time it takes to complete a fundraising. The second reason valuations will fall is that the public market comparable valuations have fallen materially. This will have a direct impact on exit prices, be they an eventual I.P.O., or

M&A. In fact, I was recently at a gathering of corporate development execs, and their number one concern was that private company executives have not realized that the scoring system was just reset (expectations too high). Lastly, investors are more concerned that a protracted economic downturn will negatively impact each private company's specific results, increasing the likelihood of a revenue or cash flow miss.

If we leave you with one message it would be this: financings as we know it just got a whole lot tougher. Basically, the cost of capital is going way up. This is, of course, a sweeping generalization. Some of you have tons of cash, and some of you are profitable, so the immediate impact will obviously be less. That said, if you do need to go to the market for capital in the foreseeable future, you should consider that the environment will be much less hospitable than it has been for the past 3-4 years which have actually been pretty benign), and that this less hospitable environment (could persist for time measured in years not quarters.

Another obvious strategy is to extend the runway. Hopefully, everyone is aware of exactly how many "months of cash" they have at their current cash level and burn rate. If you have a method for increasing this runway, we think you should do it, and quickly. . This serves two purposes. First, it gives you the opportunity to outlast the competition, and second, it puts more time between now and when you are forced to re-enter the capital markets. One could argue you should draw down your bank lines right now. Why? When you need the money, the fundi ng source may just say no (they did last time). What are you going to do? Sue them? Take away their warrant coverage? So what. If they get cold feet – you won't see the cash, I don't are what the term sheet says. The bottom line is that you should watch "months of cash" as your most important variable.

Be calm, but pragmatic. The purpose of this letter isn't to send everyone off in a panic. It's simply to convey that the rules of the game have changed. One key problem is that during these market downturns, most people don't adjust quickly enough. As an example, not hiring heads that were previous TBH isn't really a reduction in expenses. Also, 10% cuts rarely lead to anything other than multiple rounds of cuts, which have a harrowing affect on culture. It's easy to mentally nderstand this is the right thing to do. It is ten times harder to make the actual udecisions to affect change. These are extremely hard decisions.

You may know that I am involved with Zillow. They did a survey of their users to ask what they thought was the current impact on home prices across America. The average answer was that homes in America were down 20-30% in value. The survey then asked what the user thought had happened to the value of their own home. Miraculously they thought their own home had retained value against the odds! Surprised? It is human nature. As most of you read thi s, you will be thinking in the back of your mind why your company is different than the average company like these homeowners) and why you are the exception that doesn't need to take (action right now. This could be a rationalization.

Recently, I spoke with an entrepreneur who as a CEO during the dot-com crash and oversaw a headcount reduction from 130 to 28 (through two major layoffs), and eventually back to profitability and an IPO. If you think a 10% layoff is tough, imagine laying-off 78% of your employees. It is one of the hardest things I have ever seen anyone do. I recently asked him how that experience has shaped the way he ould advise people on running a startup. He had a list at the tip of his tongue (included now):

1. You don't realize how fast things spin out of control. There are self-reinforcing negative affects in a downturn.
2. Don't spend money until you have to
a. Don't move out of your office until you are sitting on top of one another
b. Don't hire any incremental employee until you just can't stand it
c. Don't get more capacity in your data center until your site is going down
3. Better to be "late to the party" than to be early and run out of money
4. Line item review of the budget every month (legal, accounting, everything)
5. Not just a CEO mindset, but a company mindset
a. Everyone must buy into the process
b. But in a calm way – not run for the hills
6. Create 2 or 3 different burn scenarios – know at any point in time how many months of cash is left.

I include this mainly because it highlights a "very high bar" in terms of frugality. It's one thing to say you don't "waste money" and another to live as lean as you possibly can. As mentioned before, in market downturns, frugality is not only a virtue, but also it could be the difference between survival and failure.
Many great companies emerged from the 2001-2002 time-frame. Companies built during tough times typically have incredible focus, great cultures, and a true desire to compete and win in all environments. For many, this downturn period could be opportunistic: a real chance to differentiate yourselves from the other players in the market. However, it is imperative to understand that the environment has just shifted to one where differentiation will likely be defined not by aggressiveness, but rather by adaptability.

CrunchBase Information
Bill Gurley
Benchmark Capital
Information provided by CrunchBase

EXHIBIT L-1

Meeting in April 2011

Joe Greenstein
If I had a boat, I'd take it out for dinner... — with Dave Golsberg, Reid Hoffman, Kevin Chou, bret taylor, Mike Cassidy, Max Levchin, Nirav Tolia and Dion Lim.
Like · Comment · Share · April 20 · via mobile

Siqi Chen, Hiten Shah and 10 others like this.

Jeremy Liew The boat appears to have been overrun by zombie entrepreneurs
April 20 at 10:43pm · Like · 1

Yaffa Fain Glowing speaker convention?!

Album: Photos of Max Levchin in Mobile Uploads
Shared with: Public

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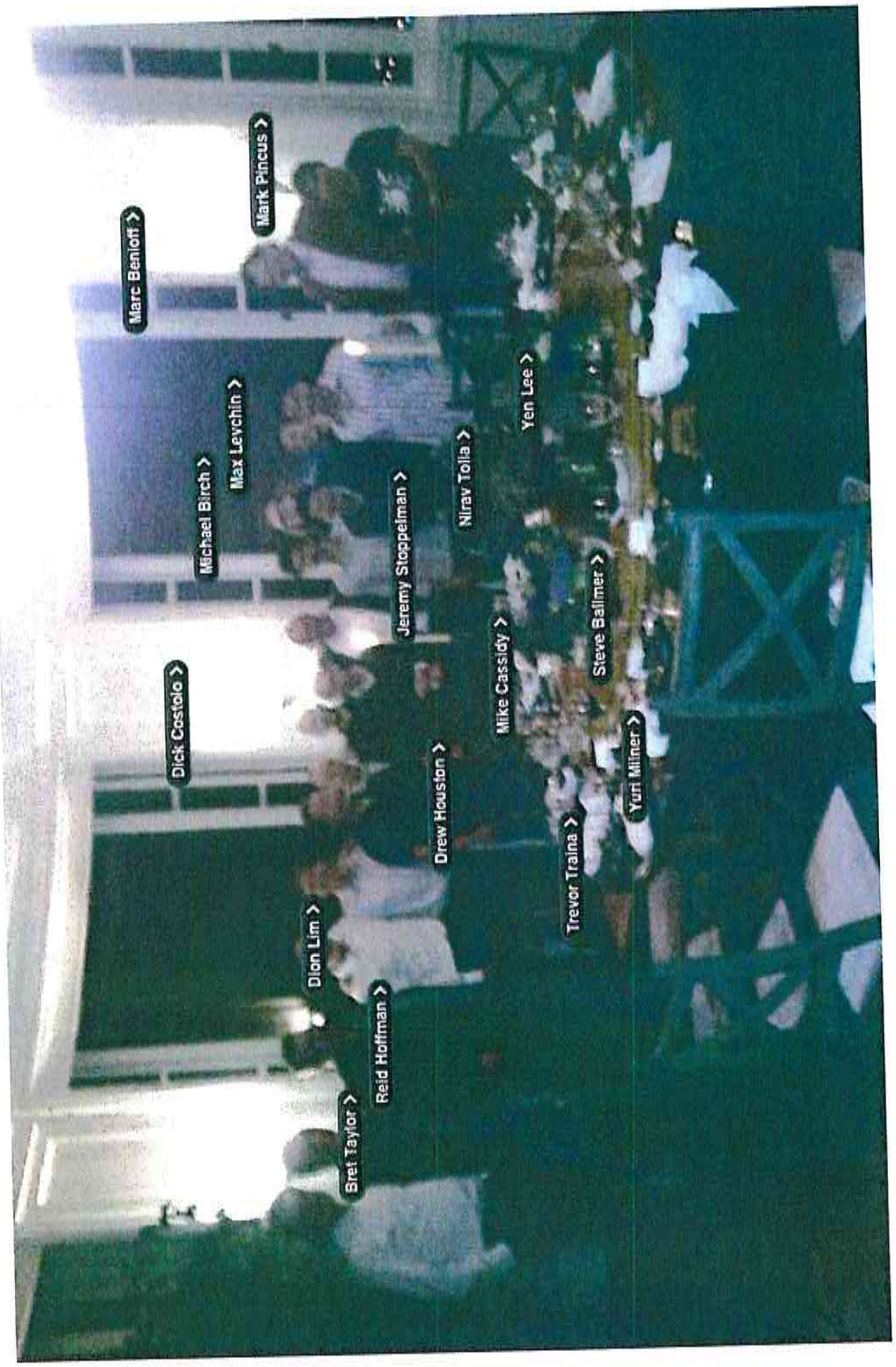
Zero Motorcycles
zeromotorcycles.com

EXHIBIT L-2

Meeting in September 2011

EXHIBIT L-3

Meeting in October 2011



Mike Cassidy
Slightly better picture for fabulous CEO dinner hosted by Trevor Traina with special guests Steve Ballmer, Yuri Milner, Mark Pincus, and Dick Costolo. — with Bret Taylor, Reid Hoffman, Dion Lim, Trevor Traina, Drew Houston, Yuri Milner, Dick Costolo, Steve Ballmer, Jeremy Stoppelman, Michael Birch, Nirav Tolia, Max Levchin, Yen Lee, Marc Benioff and Mark Pincus.

Like · Comment · Share · October 22

Hanz Kurdi likes this.

EXHIBIT L-4

Dinner in November 2011

Nirav Tolia
Thanks Bret, for a great November CEO dinner! — with Bret Taylor, Adam D'Angelo, Dion Lim, Michael Birch, Jeremy Stoppelman, Dave Goldberg, Max Levchin, Thomas Layton and Trevor Traina.
Like · Comment · Share · November 17

Brett Hellman and 9 others like this.

Nirav Tolia Restaurant is Manresa, the Michelin 2-star in Los Gatos
November 17 at 10:19am · Like

Linda Bahnson Avey Are women ever invited? :)
November 17 at 10:27am · Like

George Bounacos If they have larger p---, err, portfolios.
November 20 at 6:24am · Like

CERTIFICATE OF SERVICE

I, Jessica Farinas, declare that I am over the age of eighteen (18) and not a party to this action. My business address is 1580 W. El Camino Real, Suite 13, which is located in Mountain View, California, where the service described below took place.

On December 7, 2011 at my place of business at 1580 W. El Camino Real, Suite 13, Mountain View, California, a copy of the following document(s):

PLAINTIFF'S FIRST AMENDED COMPLAINT

addressed to:

Mr. Laurence F. Pulgram
Fenwick & West, LLP
555 California Street, 12th Floor
San Francisco, CA 94104
Attorney for Defendants Nextdoor.com, Inc. Nirav N. Tolia and Sarah Leary

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Was served by the following means:

[] BY FIRST CLASS MAIL: I placed the above documents in a sealed envelope for deposit in the United States Postal Service, with first class postage fully prepaid, and that envelope was placed for collection and mailing on that date following ordinary business practices.

[] BY ELECTRONIC MAIL

[ ] BY FACSIMILE TRANSMISSION: I transmitted the above documents to plaintiff's counsel by facsimile transmission to the FAX telephone number listed for each party and obtained confirmation of complete transmittal thereof.

[ ] BY CAUSING PERSONAL SERVICE: I placed the above documents in a sealed envelope. I caused such envelope(s) to be handed to our messenger service to be delivered by hand to the address(es) listed.

[ ] BY PERSONAL SERVICE: I placed the above documents in a sealed envelope. I delivered each of said envelopes by hand to the address(es) listed.

[X] BY OVERNIGHT EXPRESS: I placed the above documents in a sealed envelope. I caused such envelope(s) to be delivered to the address(es) listed by overnight express.

[] BY CERTIFIED MAIL WITH RETURN RECEIPT: I placed the above documents in a sealed envelope for deposit in the United States Postal Service with postage prepaid to be delivered by certified mail with a return receipt requested to the address listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on 7 December, 2011, at Mountain View, California.

Jessica Farinas